

# Workforce News



A quarterly publication of the Department of Workforce Services: issued June 2010

**Wasatch Front North: Davis, Morgan, Weber**

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## Manufacturing in Wasatch North Since 2000

The manufacturing industry has had its ups and downs in the first decade of the millennium. Though still a very important industry to the area, the economic climate has taken its toll on manufacturing through two recessions, one in the past and the current one. In both Davis and Weber coun-

ties jobs have been lost, regained, then lost again. Davis County has fared better than Weber County.

The Dot-Com recession early in the decade just slowed manufacturing growth down in Davis County. No

*(continued)*

### Inside:

- **Davis:** Employment losses slow, but unemployment creeps up.
- **Morgan:** Job losses accelerating, with unemployment up.
- **Weber:** Joblessness climbing as employers cut payrolls.

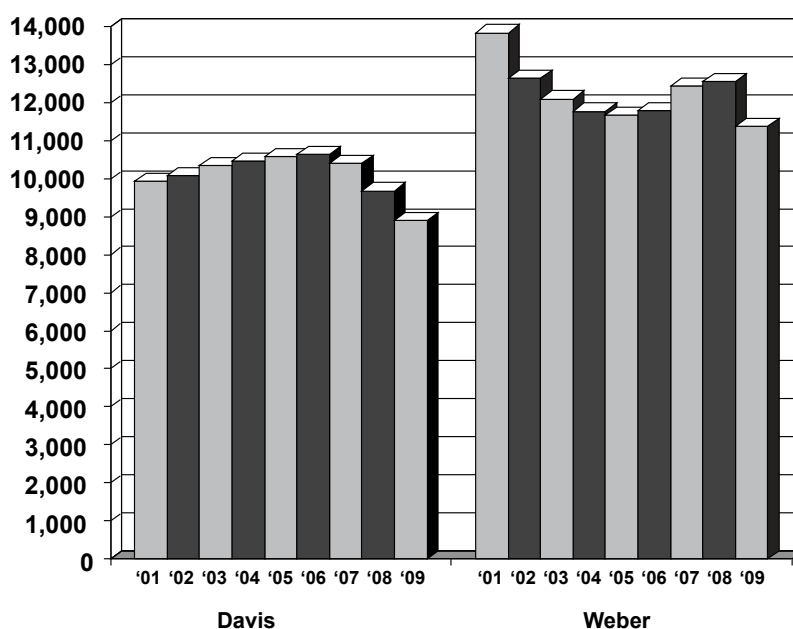


Contact the author, your regional economist, with any questions on content:

John Mathews  
801-526-9467

johnmathews@utah.gov

### Wasatch North Area Manufacturing Jobs 2001-2009

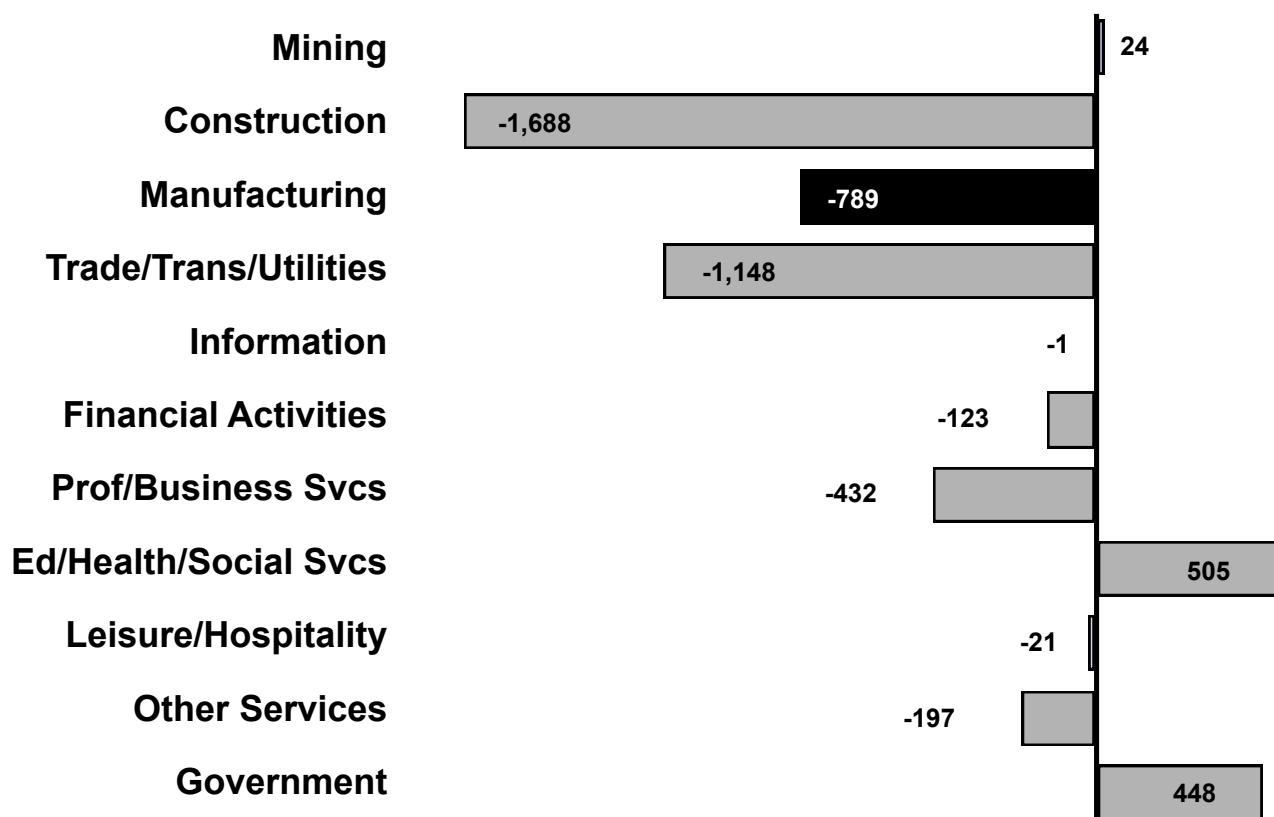


Source: Utah Department of Workforce Services, Workforce Research & Analysis, April, 2010.

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## Manufacturing in the Wasatch North (continued)

### Numeric Change in Nonfarm Jobs by Industry Davis County 2008-2009



Source: Utah Department of Workforce Services.

jobs were lost but growth was feeble. It was only in the current recession, which started in 2007, that heavy losses were experienced. Between 2007 and 2009, about 1,500 manufacturing jobs were lost (from 10,400 to 8,900).

While Davis County didn't lose jobs early in the decade, Weber County

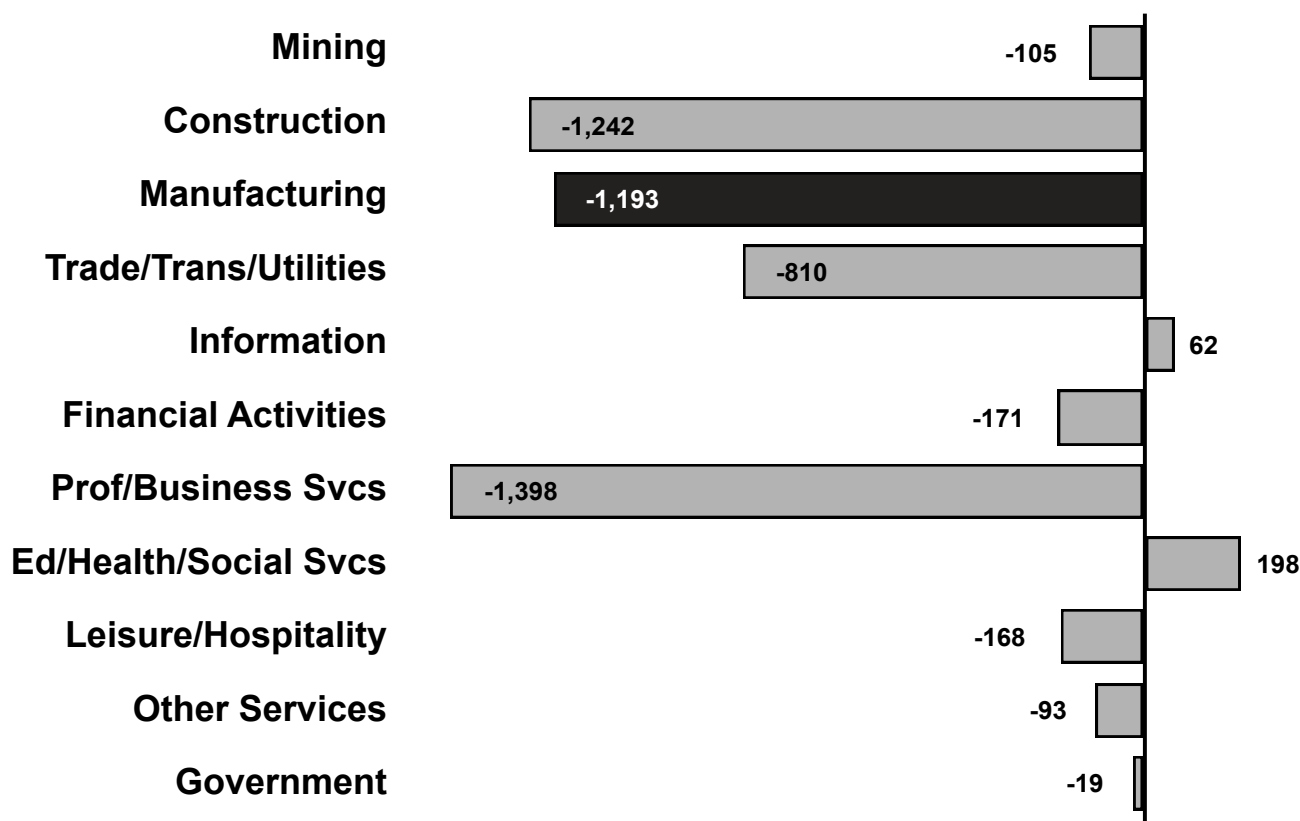
did. Employment in manufacturing dropped from 12,640 in 2002 to 11,670—nearly a thousand jobs. Between 2007 and 2008, right when the recession was hitting the nation hard, Weber County's manufacturing employment actually grew by almost 1,000. Then came 2009, and nearly 1,200 jobs were shed in just that one year, a decline of 9.5 percent.

Weber County is slightly more reliant on manufacturing than Davis County. That means a higher proportion of employment in Weber—12.5 percent—is attached to manufacturing, while a slightly smaller 8.9-percent of total jobs are in Davis manufacturing. Statewide, the average is 9.5 percent. As the Utah economy has become more diversified over the last decade,

(continued)

**Manufacturing in the Wasatch North** (continued)

## Numeric Change in Nonfarm Jobs by Industry Weber County 2008-2009



Source: Utah Department of Workforce Services.

### A Note About the National Manufacturing Industry

Nationally, the manufacturing industry is very important and is growing in terms of output, but not in terms of employment (jobs). Manufacturing is a capital-intensive industry, meaning that highly efficient technology and machines produce growing levels of output. When this type of machine/technology concentration is active, the need for labor diminishes. Jobs in manufacturing in the U.S. peaked in 1979 with 19,426,000 workers. That has declined to the 2009 recession low figure of 11,883,000—a drop of 39 percent. In 1960, manufacturing accounted for 28.4 percent of all jobs. In 2009, that slice of the pie shrunk to 9.1 percent. Between 2008 and 2009 alone, over 1.5 million manufacturing jobs were lost across the country. As the recession turns into recovery, perhaps some of those lost jobs will be regained.

## Manufacturing in the Wasatch North (cont.)

the percent of jobs in manufacturing has decreased a few points. Davis dropped from 12.1 percent to 8.9 percent. Weber shrank from 16.9 percent to the current 12.5 percent, and the state slipped from 12.2 percent to 9.5 percent.

Between 2008 and 2009, Davis County lost 790 manufacturing jobs and Weber County dropped 1,200. Manufacturing was not the only victim of the recession. In Davis county, construction and trade (including transportation and utilities) lost 1,700 and 1,150 jobs, respectively. In Weber County, the big losers in terms of jobs were construction (-1,240) and professional and business services (-1,400).

Weber may have taken a slightly heavier hit from the current recession, at least in manufacturing, in part because of the nature of manufacturing in Weber County. Manufacturing is classified into two broad groups. First are those products that are considered "durable." These are goods that have a life of longer than three years. The other group is nondurable manufacturing, goods that last less than three years. Durable goods manufacturing is an export-based industry, meaning the demand/customers are widespread

and products are sold in local, regional, national, or even international markets. These same markets are highly susceptible to economic shocks in the business cycle, like recessions. Weber's manufacturing base is 76 percent durable goods. Davis County has a higher proportion (37 percent of total manufacturing) of nondurable goods manufacturing, mostly food-processing operations. This activity is sensitive to economic swings, but not to the extent that durable goods are. We need to eat, and that's a basic requirement regardless of the status of the economy. That's one of the reasons Davis County's economy has not been as heavily impacted by the recession. The other significant reason is the existence of Hill Air Force Base and its stabilizing effect on the local economy.

The manufacturing industry is, and will continue to be, a very important part of the economies of Wasatch North counties. As the national economy shakes loose from the grip of the recession, growth occurs. The overall economy is growing but the recovery in jobs will take some time. Optimistically, job improvement may happen by the end of 2010. Realistically, it could take longer. **WFN**

### For more info:

You can get occupational wage rates for individual occupations and wage tables showing all the survey occupations at:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do>

## What's Up?

"A 94,000-square foot **WinCo Foods** store will open in The Commons at Ogden shopping center. The store will anchor the 12-acre complex at the corner of 12th Street and Wall Avenue and should help bolster the local economy. Construction of the WinCo store began last fall. Work on the building is complete and exterior landscaping is being finished up in preparation for the opening. The store will employ about 200 workers and will sell discount groceries, including meats, seafood, produce, baked goods, bulk items, and will have a deli."

-Standard Examiner

"**Weber State University** students will see a larger tuition bill next year. The WSU Board of Trustees approved a 6-percent tuition increase and 3-percent fee increase for the 2010-11 school year Tuesday. The second-tier tuition increase would cost a full-time student about \$120 more each semester. President Ann Millner said decisions at the legislative sessions had a significant impact on the need to increase tuition. She said the university was expecting a 4-to-8-percent increase, depending on the results of the budget from the Legislature."

-Standard Examiner

# County News

## Davis County News

The recession continues to impact Davis County. Unemployment in March 2010 was 6.5 percent, up from 5.6 percent in March 2009. During the fourth quarter of 2009 between 2,100 to 2,500 jobs were lost each month, but the rate of job loss is slowing. In October that pace was -2.4 percent and by December the rate was -.1 percent. In December 2,170 jobs disappeared. About 1,250 of those were in construction. Manufacturing dropped 5.5 percent, or 4,500 jobs. Retail trade and wholesale trade each contributed to job loss by losing 450 and 410 positions, respectively. Healthcare and federal government were the only sectors actually adding jobs. Healthcare added 490 and federal government increased by 610. Consumer spending in the county was down, but only slightly, with a 1.8 percent decline from last year (fourth quarter). Construction activity was improving for January and February of 2010. Total permits were up 3.3 percent while construction valuation actually declined by 16.6 percent. Spending in Davis County was down only slightly (-1.8 percent) from the prior fourth quarter.

## Morgan County News

Unemployment grew to 7.0 percent in March 2010. That's deeper than the 5.6-percent figure of a year ago. About 90 positions disappeared overall. Most of those were in construction where 80 jobs fell off payrolls. Retail trade also lost jobs (-13). Accommodations and food service employment dropped by some 30 slots in December. Morgan County consumers spent less in the fourth quarter than a year before. Spending was down by 7.3 percent. Building activity for all of 2009 was off by half, both in the number of permits issued and also in the value of the permitted construction. Economic activity in the county has slowed, as it has in all counties of the state.

## Weber County News

Unemployment in the county was 7.7 percent in March of 2010, up

slightly from 7.4 percent for March of 2009. About 4,500 jobs were lost each month of the fourth quarter of 2009, or about 5.0 percent. In December there were 4,500 fewer positions. Over half of them were in construction (-1,030) and manufacturing (-1,130). Retail trade, financial activities, and hospitality industries all lost positions. Even healthcare was down, but only slightly. One bright spot in the economy was that spending actually increased, compared to a year before, but by less than 1.0 percent. Construction activity was up in terms of permits and was about even in the total valuation of permitted construction. The loss of manufacturing jobs in the county was significant during fourth quarter 2009. The recession saga continues, but hopefully the slowing of losses is a harbinger of better times ahead. **WFN**

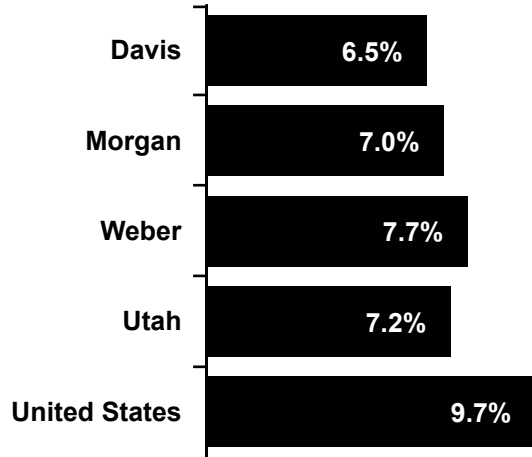
### For more info:

For more employment information about your county go to:

**<http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>**

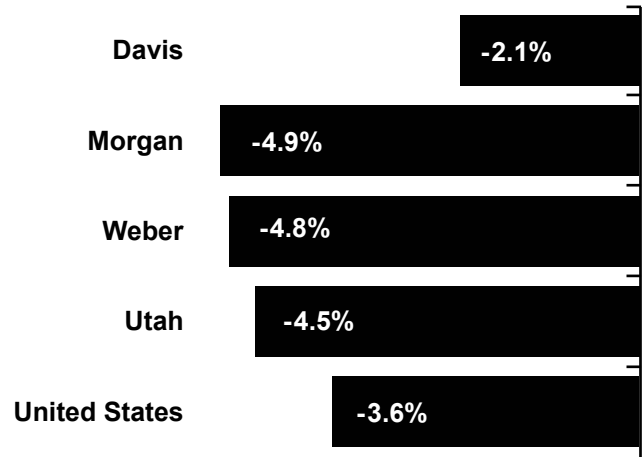
and select your county, then go to *Labor Market Indicators* in the right-hand margin.

**Seasonally Adjusted Unemployment Rates  
March 2010**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs  
December 2008 to December 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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